



**BEFORE THE TAMIL NADU ELECTRICITY REGULATORY
COMMISSION
CHENNAI**

Order No. 6 of 2016, dated 02-08-2016

Present : Thiru S. Akshaya Kumar, Chairman
Thiru G. Rajagopal, Member
Dr. T. Prabhakara Rao, Member

**In the matter of : Provision of Tariff subsidy for FY2016-17
by the Government of Tamil Nadu.**

The Government of Tamil Nadu (GoTN) had issued policy directions under sub-section (1) of section 108 of the Electricity Act, 2003, for extension of free supply / concessional tariff to different categories of consumers like Hut consumers, Agricultural consumers, Domestic consumers, Actual Places of Public Worship, Powerloom Consumers, Handloom Consumers and Lift Irrigation Co-operative Societies for Agriculture from 2004 onwards. The Government has also committed to provide subsidy to meet the shortfall in revenue to TANGEDCO u/s 65 of the Electricity Act, 2003.

(2) TANGEDCO in their letter dated 13-06-2016 stated that the Government of Tamil Nadu has provided Rs. 7,370.33 Crores in the Budget Estimate for FY2016-17 towards tariff subsidy payable to

TANGEDCO. The Government has also provisionally released tariff subsidy totaling to Rs.2,677.96 Crores so far in advance for the FY2016-17 based on the subsidy approved by the Commission for FY2015-16, pending order of the Commission on the Tariff Subsidy payable for the FY2016-17.

(3) Further, TANGEDCO has also stated that the Government of Tamil Nadu, vide G.O.(Ms.) No.36/Energy (A1) Dept., dated 23-05-2016, GoTN Lr. (Ms.) No.37/ Energy (A1) Dept., dated 23-05-2016 and G.O.(Ms)No.102/Handloom, Handicraft, Textiles and Khadi (D2) Department, dated 23-05-2016 has issued policy directives to Tamil Nadu Electricity Regulatory Commission for provision of free electricity of 100 units bimonthly to all domestic consumers in all slabs, for provision of free electricity of 200 units bimonthly to all handloom consumers and for provision of free electricity of 750 units bimonthly to all powerloom consumers from 23-05-2016. GoTN has issued commitment letters for the provision of tariff subsidy for the same to compensate the revenue shortfall due to those policy directives.

(4) In order to compensate the above free supply / reduction in rate stated in para 3, the Government of Tamil Nadu ordered to provide Rs.1,637.05 Crores (Rs.1,607+5.97+24.08) in addition to Budget Estimate of Rs.7,370.33 Crores for the FY2016-17 for provision of free electricity to Domestic, Powerloom and Handloom Consumers towards tariff subsidy payable to TANGEDCO.

(5) TANGEDCO in its letter dated 13-06-2016 has requested the Commission to approve the subsidy for FY2016-17 as under:

Sl. No.	Categories of Consumers	Subsidy (Rs. in Crores)
I	Domestic (Reduction in tariff)	4563.90
II	Agricultural consumers under normal category (Free supply)	2618.17
III	Agricultural consumers under SFS category (Free supply)	718.16
IV	Hut consumers (Free supply)	198.28
V	Actual Places of Public Worship (Reduction in Tariff)	16.55
VI	Powerloom consumers	360.48
VII	Handloom weavers (Free supply)	4.67
VIII	Lift Irrigation – Cooperative Societies (Free supply)	4.70
	Total	8484.91

(6) The Tariff subsidy payable by GoTN to TANGEDCO for different category of consumers is detailed below:

I. Domestic Consumers

- a. The subsidy for domestic consumers claimed by TANGEDCO for FY2016-17 is Rs.4563.90 Crores and the subsidy approved by the Commission for FY2014-15 and FY2015-16 are as below respectively.

Year	Subsidy approved by Commission (Rs. in Crores)
2014-15 (Reconciled)	2160.76
2015-16 (Provisional)	3028.06

- b. In this context, the Commission considered the following facts while determining the Subsidy payable by GoTN:

- (i) The TANGEDCO has requested to allow subsidy of Rs.4563.90 Crores for FY2016-17 for Domestic consumers.
- (ii) The tariff subsidy is projected on the following basis:
- (iii) The subsidy rates as issued in the Government's letter, Letter (Ms.) No. 01, dated 05-02-2015 of Energy (A1) Department, GoTN are as follows:

Slab	Subsidy/Unit
0 – 100 units (bimonthly)	Rs.2.00 / unit and Fixed Charges Rs.5.00/Service.
0 – 200 units (bimonthly)	Rs.1.75/unit and Fixed Charges Rs.5.00/Service
First 200 units of 201 – 500 units (bimonthly)	Rs.1.50/unit and Fixed Charges of Rs.5.00/Service
201 – 500 units (bimonthly)	Rs.1.60/unit and Fixed Charges Rs.5.00/Service/.

- (iv) Further, GoTN in Government's letter, Letter No. (Ms) No.37, dated 23-05-2016 of Energy (A1) Department, GoTN has provided free electricity of 100 units bimonthly to all domestic consumers in all slabs in the existing assessment system and issued a commitment letter for providing tariff subsidy.
- (v) As per the above letter the subsidy for Tariff for LT IA – Domestic Category is furnished below:

The details of approved tariff, subsidy payable by the Government as per above revised directive and the tariff payable by consumers with effect from 23.05.2016 in respect of Domestic consumers are as follows:

Tariff for LT Tariff I-A - Domestic Category

Consumption slabs – Range in KWH (units) and billing period (one or two months)	Approved Tariff Rate		Subsidy payable by GoTN		Payable by consumer	
	Fixed Charges (Rs. per month/ services)	Energy Charges in paise per KWh	Fixed Charges (Rs. per month/ services)	Energy Charges in paise per KWh	Fixed Charges (Rs. per month/ services)	Energy Charges in paise per KWh
a) For consumers who consume up to 50 units per month (or) 100 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months	Rs.15 per month / service	300 paise / kWh	Rs.15 per month / service	300 paise / kWh	Nil	Nil
b) For consumers who consume from 51 units to 100 units per month (or) 101 to 200 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months	Rs.15 per month / service	325 paise / kWh	Rs.5 per month / service	325 paise / kWh	Rs.10 per month / service	Nil
From 51 to 100 units per month (or) 101 to 200 units for two months.		325 paise / kWh		175 paise / kWh		150 paise / kWh
c) For consumers who consume from 101 units to 250 units per month (or) 201 to 500 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months	Rs.20 per month / service	350 paise / kWh	Rs.5 per month / service	350 paise / kWh	Rs.15 per month / service	Nil
From 51 to 100 units per month (or) 101 to 200 units for two months.		350 paise / kWh		150 paise / kWh		200 paise / kWh

Consumption slabs – Range in KWH (units) and billing period (one or two months)	Approved Tariff Rate		Subsidy payable by GoTN		Payable by consumer	
	Fixed Charges (Rs. per month/ services)	Energy Charges in paise per KWH	Fixed Charges (Rs. per month/ services)	Energy Charges in paise per KWh	Fixed Charges (Rs. per month/ services)	Energy Charges in paise per KWh
From 101 to 250 units per month (or) 201 units to 500 units for two months		460 paise / kWh		160 paise / kWh		300 paise / kWh
d) For consumers who consume 251 units and above per month (or) 501 units and above per month						
From 0 to 50 units per month (or) 0 to 100 units for two months	Rs.25 per month / service	350 paise / kWh	Nil	350 paise / kWh	Rs.25 per month / service	Nil
From 51 to 100 units per month (or) 101 to 200 units for two months.		350 paise / kWh		Nil		350 paise / kWh
From 101 to 250 units per month (or) 201 to 500 units for two months		460 paise / kWh		Nil		460 paise / kWh
From 251 units and above per month (or) 501 units and above for two months		660 paise / kWh		Nil		660 paise / kWh

True-up of subsidy of 2014-15: A provisional subsidy of Rs.2453.94 Crores was sanctioned for TANGEDCO for FY2014-15 vide Commission's Order No. 1 of 2015, dated 16-02-2015. Subsequently, TANGEDCO submitted their actual slab-wise consumption and reconciliation statements for FY2014-15 and claimed a revised subsidy of Rs.2160.76 Crores. The Commission has since approved the same and the balance subsidy of Rs.293.18 Crores for FY2014-15 is to be recovered while providing the Provisional Subsidy for FY2016-17.

The tariff subsidy payable by the Government for the FY 2016 -17 has been calculated by TANGEDCO on the estimated energy consumption for the year 2015-16 with 6.81% growth on annual consumption and 0.79% growth on the No. of consumers over the previous year.

Hence, the subsidy payable based on the above projected sales is as follows:

Slab	Consumption in MU/ No. of services in lakhs	Subsidy payable by the Government	Estimated tariff subsidy Rs. in Crs.
I. Bi-Monthly Consumption upto 100 units			
(a) From 01.04.2016 to 22.05.2016			
0-100 units	344.8222	Rs.2.00/unit	68.96
Fixed Charges	79.6045	Rs.5 per month / service	6.80
(b) From 23.05.2016 to 31.03.2017			
0-100 units	2075.5644	Rs.3.00/unit	622.67
Fixed Charges	79.6045	Rs.15 per month / service	122.87
Sub Total (1)	2420.3866/ 79.6045		821.31
II. Bi-Monthly Consumption above 100 units and upto 200 units			
(a) From 01.04.2016 to 22.05.2016			
0-100 units	469.3196	1.75	82.13
(b) From 23.05.2016 to 31.03.2017			
0-100 units	2824.9427	3.25	918.11
Full year			
101-200 units	2104.6148	1.75	368.31
Fixed Charges	54.9044	Rs.5 per month / service	32.94
Sub Total (2)	5398.877/ 54.9044		1401.49
III. Bi-Monthly Consumption above 200 units and upto 500 units			
(a) From 01.04.2016 to 22.05.2016			
0-100 units	419..9204	1.50	62.99
(b) From 23.05.2016 to 31.03.2017			
0-100 units	2527.5976	3.50	884.66
Full year			
101-200 units	2947.5180	1.50	442.13
201-500 units	4884.9640	1.60	781.59

Slab	Consumption in MU/ No. of services in lakhs	Subsidy payable by the Government	Estimated tariff subsidy Rs. in Crs.
Fixed Charges	49.1253	Rs.5 per month / service	29.48
Sub Total (3)	10780.00/ 49.1253		2200.84
IV. Bi-Monthly Consumption above 500 units			
(a) From 01.04.2016 to 22.05.2016			
0-100 units	66.5756	0.00	0.00
(b) From 23.05.2016 to 31.03.2017			
0-100 units	400.7338	3.50	140.26
Full year			
101-200 units	467.3094	0.00	0.00
201-500 units	1401.9282	0.00	0.00
Above 500 units	4051.4530	0.00	0.00
Fixed Charges	7.7885	Nil	Nil
Sub Total (4)	6388/7.7885		140.26
Grand Total (5) = (1+2+3+4)	24987.26352/ 191.4227		4563.90

Hence, a subsidy of Rs.4563.90 Crores is provisionally approved for FY2016-17 for reduction in tariff to Domestic Consumers based on the above commitment letters of GoTN.

II. Agricultural consumers under normal category:

(a) True up of subsidy for FY2014-15: The Commission has approved a provisional subsidy of Rs.2388.51 Crores for FY2014-15. TANGEDCO has subsequently submitted the actual load details as 89,04,390 HP for reconciling the subsidy for FY2014-15. Therefore, the Commission approved a subsidy of Rs.2326.73 Crores for FY2014-15 at the rate of Rs.2500/HP/per annum from 1-4-2014 to 11-12-2014 and at the rate of Rs.2,875/-/HP/per annum from 12-12-2014 to 31-03-2015. Hence, the excess subsidy of Rs.61.78 Crores paid has to be adjusted against the Provisional Subsidy for FY2016-17.

Agriculture – Normal

Period	Subsidy Rate Rs./HP/ annum	Subsidy Calculation	Subsidy Amount Rs.
From 01-04-2014 to 11-12-2014	Rs.2500/-	89,04,390HP x $\frac{255 \times 2500}{365}$	Rs.1555,21,88,014
From 12-12-2014 to 31-03-2015	Rs.2875/-	89,04,390HP x $\frac{110 \times 2875}{365}$	Rs. 771,51,05,034
Total Subsidy for FY 2014-15			Rs.2326,72,93,048
Total Subsidy for FY 2014-15 of Agriculture – Normal			Rs.2,326.73 Crs

(b) TANGEDCO has estimated the connected load for FY2016-17 at 9106675 HP. Therefore the estimated subsidy for 9106675 HP for FY2016-17 works out as under:

Connected Load in HP	subsidy payable by the Government Rs./HP	Estimated subsidy Rs.Crs.
91,06,675	Rs.2875/HP/ Annum	2618.17
	Total	2618.17

(c) Therefore, a subsidy of Rs.2618.17 Crores for FY2016-17 in respect of agricultural consumers under normal category is approved.

III. Agricultural consumers under SFS category:

(a) True up of subsidy of FY2014-15: The Commission had approved a provisional subsidy of Rs.597.13 Crores for FY2014-15. TANGEDCO has subsequently submitted the actual load details as 23,94,194 HP for reconciling the subsidy for FY2014-15. Therefore, the Commission approved a subsidy of Rs.625.61 Crores for 2014-15 and the balance subsidy payable to TANGEDCO amounts to Rs.28.48 Crores while providing subsidy for 2016-17.

(b) TANGEDCO has estimated the connected load for FY2016-17 at 24,97,963 HP. Therefore, the estimated subsidy for 24,97,963 HP works out as under:

Connected Load in HP	subsidy payable by the Government Rs./HP	Estimated subsidy Rs.Crs.
24,97,963	Rs.2875/HP/ Annum	718.16
	Total	718.16

Therefore, a subsidy of Rs.718.16 Crores for FY2016-17 for agricultural consumers under SFS category is provisionally approved.

IV. Hut Consumers

a) True up of subsidy of 2014-15: The Commission had approved a provisional subsidy of Rs.235.82 Crores for FY2014-15. Subsequently, the TANGEDCO furnished the average number of Hut consumers for FY2014-15 as 11,63,811 nos.

Based on this, the Commission approved a subsidy of Rs.183.07 Crores and ordered recovery of Rs.52.75 Crores while releasing the provisional subsidy for FY2016-17.

b) Based on the actual number of hut consumers as on 31-03-2016, the no. of hut consumers for FY2016-17 has been estimated as 11,39,527 nos.

Description	TNERC approved New Tariff Rate		Subsidy payable by GoTN		Tariff Rate payable by Consumer	
	Fixed Charges (Rs. per month)	Energy Charges (paise / KWh)	Fixed Charges (Rs. per month)	Energy Charges (paise / KWh)	Fixed Charges (Rs. per month)	Energy Charges (paise / KWh)
Till installation of Energy Meters	145 Rupees /Service/ Month	Nil	145 Rupees /Service/ Month	Nil	Nil	Nil
On installation of Energy Meters	Nil	495	Nil	495	Nil	Nil

No. of consumers	Subsidy payable by the Government Rs./Service /Month	Estimated subsidy Rs.Crs.
11,39,527	Rs.145 /Month/Service	198.28
	Total	198.28

c) The subsidy for the FY2014-15 to FY2016-17 is as follows:

Year ending	Subsidy
2014-15(Reconciled)	Rs. 183.07 Crores
2015-16 (Estimates)	Rs.199.73 Crores
2016-17 (Provisional)	Rs.198.28 Crores

d) Therefore, a subsidy of Rs.198.28 Crores for FY2016-17 in respect of Hut consumers is provisionally approved.

V. Reduction in Tariff rate to Actual Places of Public Worship

a) True up of subsidy of FY2014-15: TANGEDCO has furnished actual consumption and reconciliation statements and claimed a revised subsidy of Rs.14.41 Crores for FY2014-15 as against the provisional subsidy of Rs.9.43 Crores. The final subsidy determined by the Commission is Rs.13.32 Crores. The Commission has approved the reconciled subsidy and ordered payment of balance subsidy of Rs.3.89 Crores while releasing the provisional subsidy for FY2016-17.

b) The tariff subsidy payable by the Government for the FY2016-17 has been calculated on the estimated energy consumption for the year 2016-17 with 3.20% growth on annual consumption and 6.29% growth on the number of consumers over the previous year. TANGEDCO has now claimed a subsidy of Rs.16.55 Crores.

c) The details of approved tariff, subsidy payable by the Government and the tariff payable by the consumers in respect of Actual Places of Public Worship are as under:

Description	TNERC approved New Tariff Rate		Subsidy payable by GoTN		Tariff Rate payable by Consumer	
	Fixed Charges	Energy Charges (paise / KWh)	Fixed Charges	Energy Charges (paise / KWh)	Fixed Charges	Energy Charges (paise / KWh)
0 to 120 units for two months	60 Rs. per KW per month	575	Nil	290	60 Rs. per kW per month	285
Above 120 units for two months		575		Nil		575

d) The subsidy estimated for FY2016-17 is as follows:

Slab	Consumption in MU/ Nos	Subsidy payable by the Government Rs/unit	Estimated tariff subsidy Rs. in Crs.
<i>I. Bi-Monthly Consumption upto 120 units</i>			
0-120 units	31.05	2.90	9.00
<i>II. Bi-Monthly Consumption above 120 units</i>			
First 120 Units	26.05	2.90	7.55
Above 120 units	73.45	Nil	Nil
Total	130.55		16.55

e) Summarization of subsidy is as follows:

Year	Subsidy approved by Commission
2014-15 (Reconciled)	Rs.13.32 Crores
2015-16 (Estimates)	Rs.15.62 Crores
2016-17 (Provisional)	Rs.16.55 Crores

f) Therefore, subsidy of Rs.16.55 Crores is approved for FY2016-17 for reduction in tariff rate to Actual Places of Public Worship.

VI. Reduction in tariff and Fixed Charges to powerloom consumers

a) True up of subsidy of 2014-15: For FY2014-15, Commission has provisionally approved a subsidy of Rs.256.73 Crores towards extension of free supply and reduction in Fixed Charges. However, on reconciliation, the amount of subsidy determined is Rs.282.15 Crores. Hence, the Commission has ordered payment of Rs25.42 Crores while releasing the provisional subsidy for FY2016-17.

b) The tariff subsidy payable by the Government for the FY2016-17 has been calculated on the estimated energy consumption for the year 2016-17 with an annual growth rate of 2.59%, 3.53% and 4.38% on No. of Consumers, Connected Load and Consumption Units respectively over the previous year.

c) The details of approved tariff, subsidy payable by the Government and the tariff payable by consumers in respect of Powerloom consumers are as follows:

a) For the period from 01-04-2016 to 22-05-2016

Consumption slabs – Range in KWH (units) and billing period two months	TNERC approved Tariff Rate		Subsidy payable by GoTN		Tariff payable by consumer	
	Fixed Charges (Rs. / KW / month)	Energy Charges (paise / KWh)	Fixed Charges (Rs. / KW / month)	Energy Charges (paise / KWh)	Fixed Charges (Rs. / KW / month)	Energy Charges (paise / KWh)
a. For consumers who consume up to 500 units for two months						
0 to 500 units for two months	Rs.60 per KW/ month	520	Rs.60 per KW/ month	520	Nil	Nil
b. For consumers who consume 501 units and above for two months						
First 500 units	Rs.60 per KW/ month	520	Rs.25 per KW/ month	520	Rs.35 per KW/ month	Nil
501 units to 750 units		575		345		Nil
751 units to 1000 units		575	345	230		
1001 units to 1500 units		575	Rs.25 per KW/ month	230		345
1501 units and above		575	115	460		

b) For the period from 23-05-2016 to 31-03-2017

GoTN in its letter (Ms) No.115, dated 06-06-2016 has issued Orders enhancing the ceiling for the supply of Free Electricity to Handloom and Powerloom Weavers and issued commitment letter for providing tariff subsidy. The approved tariff issued by the Commission, subsidy payable by the Government and the Tariff payable by the consumer is as follows:

Consumption slabs – Range in KWH (units) and billing period two months	TNERC approved Tariff Rate		Subsidy payable by GoTN		Tariff payable by consumer	
	Fixed Charges (Rs. / KW / month)	Energy Charges (paise / KWh)	Fixed Charges (Rs. / KW / month)	Energy Charges (paise / KWh)	Fixed Charges (Rs. / KW / month)	Energy Charges (paise / KWh)
a. For consumers who consume up to 500 units for two months						
0 to 500 units for two months	Rs.60 per KW/ month	520	Rs.60 per KW/ month	520	Nil	Nil
b. For consumers who consume 501 units and above for two months						
First 500 units	Rs.60 per KW/ month	520	Rs.60 per KW/ month	520	Nil	Nil
501 units to 750 units		575		575		Nil
751 units to 1000 units		575	Rs.25 per KW/ month	345	Rs.35 per KW/ month	230
1001 units to 1500 units		575		230		345
1501 units and above		575		115		460

c) Now, TANGEDCO has sought a tariff subsidy of Rs.360.48Crores for FY2016-17 as under:

Slab	Consumption in MU/ Connected load in kW	Subsidy payable by the Government Rs/unit	Estimated tariff subsidy Rs. in Crs.
I. Consumption upto 500 units for two months			
0-500 units	118.1782	5.20	61.45
Fixed Charges	227769	Rs.60 per KW/month	16.40

Slab	Consumption in MU/ Connected load in kW	Subsidy payable by the Government Rs/unit	Estimated tariff subsidy Rs. in Crs.
II. Consumption above 500 units for two months			
First 500 units	210.1589	5.20	109.28
a) From 01.04.2016 to 22.05.2016			
501-750 units	13.8263	3.45	4.77
b) From 23.05.2016 to 31.03.2017			
501-750 units	83.2235	5.75	47.85
a) From 01.04.2016 to 22.05.2016			
Fixed charges	63831	Rs.25 per KW/month	0.27
b) From 23.05.2016 to 31.03.2017			
Fixed charges	63831	Rs.60 per KW/month	3.94
Full Year			
751-1000 units	109.9794	3.45	37.94
Fixed charges	63831	Rs.25 per KW/month	1.91
1001-1500 units	127.2648	2.30	29.27
1501 & above units	345.8027	1.15	39.77
Fixed Charges	253776	Rs.25 per KW/month	7.61
Total	1008.4335/ 609208		360.48

d) Summarization of subsidy is as follows:

2014-15 (Reconciled)	Rs.282.15 Crores
2015-16 (Estimates)	Rs.316.15 Crores
2016-17 (Provisional)	Rs.360.48 Crores

e) Therefore, subsidy of Rs.360.48 Crores is provisionally approved for FY2016-17 towards free supply and reduction in tariff and Fixed charges to powerloom consumers.

VII. Free supply to Handloom consumers upto 100 units bimonthly

a) True up of subsidy for 2014-15: The subsidy approved by the Commission for 2014-15 was Rs.8.30 Crores based on the estimated consumption of this category of consumers. Subsequently, based on the actual consumption of handloom consumers, the subsidy for FY2014-15 has been reconciled at Rs.5.23 Crores. Hence, the Commission has ordered recovery of Rs.3.07 Crores from TANGEDCO while providing for the subsidy of FY2016-17.

b) Now TANGEDCO has sought for a subsidy of Rs.4.67 Crores towards subsidy for energy consumption in respect of 1,15,497 consumers for FY2016-17. For the period from 01-04-2016 to 22-05-2016, subsidy at the rate of Rs.100/Service/Bimonthly and for Fixed Charges at Rs.10/Service/month.

c) From 23-05-2016 onwards, GoTN vide its letter (Ms) No.115, dated 06-06-2016 has issued Orders enhancing the ceiling for the supply of Free Electricity to Handloom and Powerloom Weavers and issued commitment letter for providing tariff subsidy. The approved tariff issued by the Commission, subsidy payable by the Government and the Tariff payable by the consumer is as follows:

Tariff for LT Tariff I-A – Hand Loom Weavers in Domestic Category:

Consumption slabs – Range in KWH (units) and billing period (one or two months)	Approved Tariff Rate		Subsidy payable by GoTN		Payable by consumer	
	Fixed Charges (Rs. per month)	Energy Charges in paise per KWh	Fixed Charges (Rs. per month)	Energy Charges in paise per KWh	Fixed Charges (Rs. per month)	Energy Charges in paise per KWh
i) For consumers who consume up to 50 units per month (or) 100 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months	15	300	15	300	Nil	Nil
ii) For consumers who consume from 51 units to 100 units per month (or) 101 to 200 units for two months						
From 0 to 100 units per month (or) 0 to 200 units for two months.	15	325	15	325	Nil	Nil
iii) For consumers who consume from 101 units to 250 units per month (or) 201 to 500 units for two months						
From 0 to 100 units per month (or) 0 to 200 units for two months.	20	350	Nil	350	20	Nil
From 101 to 250 units per month (or) 201 units to 500 units for two months		460		160		300
iv) For consumers who consume 251 units and above per month (or) 501 units and above for two months						
From 0 to 100 units per month (or) 0 to 200 units for two months.	25	350	Nil	350	25	Nil
From 101 to 250 units per month (or) 201 units to 500 units for two months		460		Nil		460
From 251 units and above per month (or) 501 units and above for two months		660		Nil		660

Hence, based on the above, the tariff subsidy payable by the Government for free supply of electricity to Hand loom weaver consumers for the FY 2016-17 has been arrived at as below:

Slab	Consumption in MU/ No. of services	Subsidy payable by the Government	Estimated tariff subsidy Rs. in Crs.
I. Bi-Monthly Consumption upto 100 units			
a. From 01.04.2016 to 22.05.2016			
0-100 units	1.71	Rs.1.00/unit	0.17
Fixed Charges	48535	Rs.10 per month / service	0.08
a. From 23.05.2016 to 31.03.2017			
0-100 units	10.28	Nil	0.00
Fixed Charges	48535	Nil	0.00
Sub Total	11.9899/ 48535		0.2538
II. Bi-Monthly Consumption above 100 units and upto 200 units			
a. From 01.04.2016 to 22.05.2016			
0-100 units	2.8093	1.00	0.28
b. From 23.05.2016 to 31.03.2017			
0-100 units	16.9096	Nil	0.00
a. From 01.04.2016 to 22.05.2016			
0-200 units	0.8265	Nil	0.00
Fixed Charges	32865	Nil	0.00
b. From 23.05.2016 to 31.03.2017			
0-200 units	4.9747	1.50	0.75
Fixed Charges	32865	Rs.10 per month / service	0.34
Sub Total	25.5201/ 32865		1.3653
III. Bi-Monthly Consumption above 200 units and upto 500 units			
a. From 01.04.2016 to 22.05.2016			
0-100 units	2.5057	1.00	0.25
b. From 23.05.2016 to 31.03.2017			
0-100 units	15.0823	Nil	0.00
a. From 01.04.2016 to 22.05.2016			
101-200 units	2.5057	Nil	0.00
b. From 23.05.2016 to 31.03.2017			
101-200 units	15.0823	1.50	2.26
Full Year			
201-500 units	12.7139	Nil	0.00

Slab	Consumption in MU/ No. of services	Subsidy payable by the Government	Estimated tariff subsidy Rs. in Crs.
Fixed Charges	29313	Nil	0.00
Sub Total	47.8899/ 29313		2.5129
IV. Bi-Monthly Consumption above 500 units			
a.From 01.04.2016 to 22.05.2016			
0-100 units	0.4090	1.00	0.0409
b.From 23.05.2016 to 31.03.2017			
0-100 units	2.4616	Nil	0.00
a.From 01.04.2016 to 22.05.2016			
101-200 units	0.4090	Nil	0.00
b.From 23.05.2016 to 31.03.2017			
101-200 units	2.4616	2.00	0.4923
Full Year			
201-500 units	8.6116	Nil	0.00
Above 500 units	14.3973	Nil	0.00
Fixed Charges	4784	Nil	0.00
Sub Total	28.7501/ 4784		0.5332
Grand Total	114.1500/ 115497		4.6653

d) Summarization of subsidy is as follows:

Year	Subsidy approved by the Commission (Rs. in Crores)
2014-15 (reconciled)	5.23
2015-16 (Estimates)	6.66
2016-17 (Provisional)	4.67

e) Hence, subsidy of Rs.4.67 Crores is provisionally approved for free supply to handloom consumers' for FY2016-17.

VIII. Free supply for HT – Lift Irrigation Co-operative Societies

a. True up of subsidy of 2014-15: The Commission has provisionally approved subsidy for 2014-15 as Rs.3.14 Crores. Subsequently, TANGEDCO submitted the actual consumption for FY2014-15 as 6.29 MUs based on which the Commission approved a total subsidy of Rs.2.77

Crores. Therefore, the Commission ordered recovery of excess subsidy paid already amounting to Rs.0.37 Crores while releasing the provisional subsidy for FY2016-17.

b. Now, TANGEDCO has sought for a subsidy of Rs.4.70 Crores for a consumption of 7.408 MUs for FY2016-17. The subsidy working are as under:

$$7.408\text{MU} * \text{Rs.}6.35/\text{Kwh} = \text{Rs.}4.70 \text{ Crores.}$$

c. Summarization of subsidy is as follows:

Year	Subsidy approved by the Commission (Rs. in Crores)
2014-15 (reconciled)	2.77
2015-16 (Estimates)	5.08
2016-17 (Provisional)	4.70

d. Hence, subsidy of Rs.4.70 Crores is provisionally approved for Lift Irrigation Co-operative Societies for FY2016-17.

IX. Payment of additional subsidy / adjustment of excess subsidy paid:

(a) The TANGEDCO has filed details of actual consumption and other load details for FY2014-15. The Commission has approved payment of additional subsidy / adjustment of excess subsidy after due reconciliation based on details relating to actual slab-wise consumption/connected load/number of consumers and other details obtained from TANGEDCO as below:

(Rs. in Crores)

Year	Tariff category	Provisional subsidy		Final subsidy	Additional subsidy payable / Excess subsidy recoverable
		Claimed	Approved	Approved	
I. Additional subsidy payable					
2014-15	Agri. SFS	623.37	597.13	625.61	28.48
2014-15	Places of worship	13.69	9.43	13.32	3.89
2014-15	Powerloom (Energy Charges)	273.34*	222.21	259.43	37.22
(A)		910.40	828.77	898.36	69.59
II. Excess subsidy recoverable					
2014-15	Domestic	2059.32	2453.94	2160.76	293.18
2014-15	Agri. Normal	2369.64	2388.51	2326.73	61.78
2014-15	Huts	192.45	235.82	183.07	52.75
2014-15	Lift Irrigation	3.32	3.14	2.77	0.37
2014-15	Powerloom (Fixed Charges)	**	34.51	22.72	11.79
2014-15	Handloom	8.33	8.30	5.23	3.07
Total (B)		4633.06	5124.22	4701.28	422.94

* including Fixed Charges

** included in Energy Charges

Net Subsidy Recoverable (B-A): Rs.422.94 Crores – Rs.69.59 Crores = Rs.353.35 Crores

(b) The provisional subsidy payable for FY2016-17 by the Government of Tamil Nadu will be as below:

Sl. No.	Category of consumers	Provisional Subsidy Approved by the Commission (Rs. in Crores)
I	Domestic (Reduction in tariff)	4563.90
II	Agricultural consumers under normal category (Free supply)	2618.17
III	Agricultural consumers under SFS	718.16

	category (Free supply)	
IV	Hut consumers (Free supply)	198.28
V	Actual Places of Public Worship (Reduction in Tariff)	16.55
VI	Powerloom consumers	360.48
VII	Handloom weavers (Free supply)	4.67
VIII	Lift Irrigation - Cooperative Societies (Free supply)	4.70
IX	Total	8484.91
X	Less: Excess subsidy recoverable for FY2014-15	353.35
XI	Net amount payable by GoTN to TANGEDCO during FY2016-17	8131.56

(c) TANGEDCO has filed details of actual consumption and other load details for FY2014-15 and reconciled the same against the provisional subsidy sanctioned for FY2014-15. The payment of additional subsidy / recovery of excess subsidy paid is adjusted in this provisional subsidy order for FY2016-17 in clause IX (a) of this Order.

(d) As regards reconciliation of subsidy for FY2015-16, TANGEDCO is yet to submit the actual details of energy and other load details. As and when it is submitted, this will be reconciled and appropriate action for payment of additional subsidy / recovery of excess subsidy will be initiated.

(e) GoTN is advised to release the advance subsidy as follows:

Sl. No.	Category	Schedule of payment
I.	Domestic	Monthly
II, III & VIII	Agriculture & Lift Irrigation	Half yearly
IV.	Hut	Half yearly
V	Places of public worship	Quarterly
VI.	Powerloom consumers	Half yearly
VII	Handloom weavers	Half yearly

5. Directives:

i) The Government of Tamil Nadu shall provide the above subsidy in advance in the manner specified in the annexure to this order for the FY2016-17 to compensate the shortfall in revenue to TANGEDCO consequent to the extension of free supply/ reduction of tariff as per the policy direction.

ii) The TANGEDCO shall extend free supply / collect reduced tariff as per the policy directives of the Government of Tamil Nadu.

iii) The Government of Tamil Nadu as well as the TANGEDCO will have to abide by the provision under section 65 of the Electricity Act 2003 which reads as below:

"Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provision contained in this section and the tariff fixed by the State Commission shall be applicable from the date of issue of orders by the Commission in this regard."

iv) The TANGEDCO shall reconcile the subsidy allowed with the actual consumption and revenue assessed for 2015-16 and to furnish the report immediately.

v) While furnishing the actual consumption details, it should be ensured that slab-wise consumption is furnished correctly.

vi) It should be ensured that the details are furnished by the Chief Engineers uniformly in the same format.

vii) The TANGEDCO shall furnish the actual connected load of Agricultural consumers as on 01-04-2016 immediately and the connected load as on 01-10-2016 before 31-12-2016.

viii) TANGEDCO shall furnish the circle-wise No. of Hut consumers as on 01-04-2016 immediately and number of consumers as on 01-10-2016 before 31-12-2016.

(By Order of the Commission)

Sd/-
Secretary
Tamil Nadu Electricity Regulatory Commission

Encl.: Annexure

To

1. The CMD, Tamil Nadu Generation & Distribution Corporation Ltd, Chennai 600 002.
2. The Principal Secretary to Government, Energy Department, Secretariat, Chennai 600 009.
3. The Principal Secretary to Government, Handlooms, Handicrafts, Textiles and Khadi (D2) Department, Secretariat, Chennai – 600 009.

CC: 1. The Principal Secretary to Government, Finance Department, Secretariat, Chennai-600 009.

Annexure**Subsidy Payable by Government for FY 2016-17**

Sl. No.	Category	Subsidy period	Subsidy Rs. in Crores.	Payable on or before
1.	Domestic	01-04-2016 to 31-08-2016	1901.625	Immediate
2.	Agriculture - Normal Category	01-04-2016 to 30-09-2016	1309.085	Immediate
3.	Agriculture - SFS Category	01-04-2016 to 30-09-2016	359.08	Immediate
4.	Lift Irrigation Co-operative societies	01-04-2016 to 30-09-2016	2.35	Immediate
5.	Hut	01-04-2016 to 30-09-2016	99.14	Immediate
6.	Actual places of Public worship	01-04-2016 to 30-09-2016	8.275	Immediate
7.	Powerloom	01-04-2016 to 30-09-2016	180.24	Immediate
8.	Handloom	01-04-2016 to 30-09-2016	2.335	Immediate
10.	Excess subsidy recoverable relating to FY 2014-15 as in clause (IX a) of this Order		(-)353.35	Immediate
11.	Domestic	September 2016	380.325	31-08-2016
12.	Actual place of public worship	01-10-2016 to 31-12-2016	4.1375	30-09-2016
13.	Agriculture - Normal	01-10-2016 to 31-03-2017	1309.085	30-09-2016
14.	Agriculture - SFS Category	01-10-2016 to 31-03-2017	359.08	30-09-2016
15.	Lift Irrigation Co-operative Societies	01-10-2016 to 31-03-2017	2.35	30-09-2016
16.	Hut	01-10-2016 to 31-03-2017	99.14	30-09-2016
17.	Powerloom	01-10-2016 to 31-03-2017	180.24	30-09-2016
18.	Handloom	01-10-2016 to 31-03-2017	2.335	30-09-2016
19.	Domestic	October 2016	380.325	30-09-2016

Sl. No.	Category	Subsidy period	Subsidy Rs. in Crores.	Payable on or before
20.	Domestic	November 2016	380.325	31-10-2016
21.	Domestic	December 2016	380.325	30-11-2016
22.	Domestic	January 2017	380.325	31-12-2016
23.	Actual Places of public worship	01-01-2017 to 31-03-2017	4.1375	31-12-2016
24.	Domestic	February 2017	380.325	31-01-2017
25.	Domestic	March 2017	380.325	28-02-2017
	TOTAL		8131.56	